

## Agency for International Development

(b) Individual country and geographic codes are defined in the Agency Geographic Code Book.

[49 FR 13248, Apr. 3, 1984, as amended at 61 FR 39093, July 26, 1996]

### 725.703 Contractor employees.

(a) Except as specifically provided in paragraph (b) of this section, there are no nationality restrictions on employees or consultants of either contractors or subcontractors providing services under an USAID-financed contract, except that they must be citizens of a Geographic Code 935 country, or non-U.S. citizens lawfully admitted for permanent residence in the U.S.

(b) For USAID-financed construction projects where the contract is awarded to a U.S. firm, at least half of the supervisors, and any other specified key personnel, working at the project site must be U.S. citizens or permanent legal residents of the United States. Exceptions may be authorized by the Mission Director in writing if special circumstances make compliance impractical.

[51 FR 34985, Oct. 1, 1986]

### 725.704 Source, origin and nationality requirements—Contract clause.

The clause in 752.225-70 is required in all USAID program-funded contracts under which the contractor may procure goods or services.

[62 FR 40468, July 29, 1997]

### 725.705 Local procurement—contract clause.

Local procurement may be undertaken in accordance with the provisions of 22 CFR 228.40. All contracts involving performance overseas shall contain the clause in 752.225-71.

[62 FR 40468, July 29, 1997]

### 725.706 Geographic source waivers.

(a) Authority to waive source, origin, nationality, and transportation service requirements is set forth in chapters 103 and 310 of the ADS.

(b) The contracting officer shall insert the authorized geographic code based on an approved geographic source waiver in the Schedule of the contract as provided for in 725.702. In

addition, the contracting officer shall place a copy of any approved geographic source waiver in the official contract file.

[49 FR 13248, Apr. 3, 1984, as amended at 52 FR 4144, Feb. 10, 1987; 61 FR 39093, July 26, 1996; 62 FR 40468, July 29, 1997]

## PART 726—OTHER SOCIOECONOMIC PROGRAMS

### Subpart 726.70—Disadvantaged Enterprises Program

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AUTHORITY: Sec. 621, Pub. L. 87-195, 75 Stat. 445, (22 U.S.C. 2381) as amended; E.O.12163, Sept. 29, 1979, 44 FR 56673; 3 CFR, 1979 Comp., p. 435.

SOURCE: 55 FR 8470, Mar. 8, 1990, unless otherwise noted.

### Subpart 726.70—Disadvantaged Enterprises Program

#### 726.7001 Scope of subpart.

This subpart supplements FAR part 19 and implements the provisions of certain foreign assistance appropriations acts (see section 706.302-71(a)) concerning disadvantaged enterprises which require, in general, that not less than ten percent of the aggregate amount made available for development assistance and for assistance for famine recovery and development in Africa shall be made available to disadvantaged enterprises. See part 705 and part 706 for additional provisions on publicizing contract actions and

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using other than full and open competition.

[58 FR 8702, Feb. 17, 1993. Redesignated and amended at 61 FR 39093, July 26, 1996; 62 FR 40468, July 29, 1997]

### 726.7002 Definitions.

(a) *Controlled by socially and economically disadvantaged individuals* means management and daily business are controlled by one or more such individuals.

(b) *Disadvantaged enterprises* means U.S. organizations or individuals that are:

(1) Business concerns (as defined in FAR 19.001) owned and controlled by socially and economically disadvantaged individuals;

(2) Institutions designated by the Secretary of Education, pursuant to 34 CFR 608.2, as historically black colleges and universities;

(3) Colleges or universities having a student body in which more than 40 percent of the students are Hispanic American; or

(4) Private voluntary organizations which are controlled by individuals who are socially and economically disadvantaged.

(c) *Economically disadvantaged individuals* has the same meaning as in FAR 19.001, except that the term includes women.

(d) *Owned by socially and economically disadvantaged individuals* means at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged, or a publicly owned business having at least 51 percent of its stock owned by one or more socially and economically disadvantaged individuals.

(e) *Small disadvantaged business* means a small business concern (as defined in FAR 19.001) that is at least 51 percent unconditionally owned by one or more individuals who are both socially and economically disadvantaged (as defined in this section), or a publicly owned business that has at least 51 percent of its stock unconditionally owned by one or more socially and economically disadvantaged individuals (as defined in this section) and that has its management and daily business controlled by one or more such individuals.

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(f) *Socially disadvantaged individuals* has the same meaning as in FAR 19.001, except that the term includes women.

[56 FR 27209, June 13, 1991, as amended at 56 FR 52212, Oct. 18, 1991. Redesignated at 61 FR 39093, July 26, 1996]

### 726.7003 Policy.

USAID promotes participation in its projects by disadvantaged enterprises. In order to achieve the goals in foreign assistance appropriation acts, contracts which are to be funded from amounts made available from the appropriations cited in section 706.302-71(a)(1) are subject to the following policies:

(a) Authority in section 8(a) of the Small Business Act (15 U.S.C. 637(a)) shall be used to the maximum practicable extent;

(b) Other than full and open competition in contracting with certain disadvantaged enterprises shall be authorized in accordance with 706.302-71;

(c) Subcontracting with disadvantaged enterprises shall be carried out in accordance with section 726.7007;

(d) In accordance with 705.207, the Office of Small and Disadvantaged Business Utilization (OSDBU) shall be notified at least seven business days before publicizing a proposed procurement in excess of \$100,000.

[56 FR 27209, June 13, 1991. Redesignated at 61 FR 39093, July 26, 1996, as amended at 62 FR 40468, July 29, 1997]

### 726.7004 Determination to use other than full and open competition.

The determinations required in order to use the authority under 706.302-71 for other than full and open competition shall be made by the contracting officer in consultation with the Director of OSDBU. In the event of a disagreement between the contracting officer and the Director of OSDBU, the head of the contracting activity shall make the final determination.

[55 FR 8470, Mar. 8, 1990. Redesignated at 61 FR 39093, July 26, 1996.]

### 726.7005 Exceptions.

The notification requirement in 705.207 and the subcontracting requirement in 726.7007 are based on statutory requirement and may not be deviated